

# Seattle City Light

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## Department Overview

Seattle City Light was created by the residents of Seattle in 1902 to provide affordable, reliable, and environmentally sound electric power to the City of Seattle and neighboring suburbs. Owned by the community it serves, City Light is a nationally recognized leader in energy efficiency, renewable resource development, and environmental stewardship.

City Light provides electric power to approximately 423,000 residential, business, and industrial customers within a 130-square-mile service area. City Light provides power to the City of Seattle and surrounding jurisdictions, including parts of Shoreline, Burien, Tukwila, SeaTac, Lake Forest Park, Renton, Normandy Park, and areas of unincorporated King County.

City Light owns about 2,000 megawatts of very low-cost, environmentally-responsible, hydroelectric generation capacity. In an average year, City Light meets about 50% of its load with hydroelectric facilities that it owns directly and obtains the remainder primarily through the Bonneville Power Administration (BPA). City Light is the nation's tenth largest publicly-owned electric utility in terms of customers served.

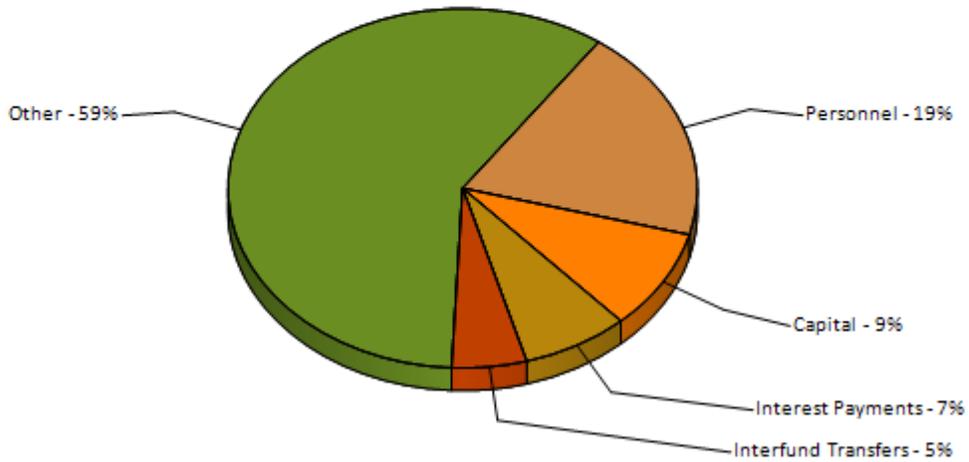
## Budget Snapshot

Department Support	2015 Actual	2016 Adopted	2017 Adopted	2018 Endorsed
Other Funding - Operating	\$960,961,011	\$1,039,049,100	\$1,051,620,028	\$1,102,879,122
<b>Total Operations</b>	<b>\$960,961,011</b>	<b>\$1,039,049,100</b>	<b>\$1,051,620,028</b>	<b>\$1,102,879,122</b>
Other funding - Capital	\$433,377,844	\$330,545,994	\$315,249,998	\$296,915,524
<b>Total Appropriations</b>	<b>\$1,394,338,855</b>	<b>\$1,369,595,094</b>	<b>\$1,366,870,026</b>	<b>\$1,399,794,646</b>
Full-time Equivalent Total*	1,861.30	1,868.30	1,779.80	1,794.80

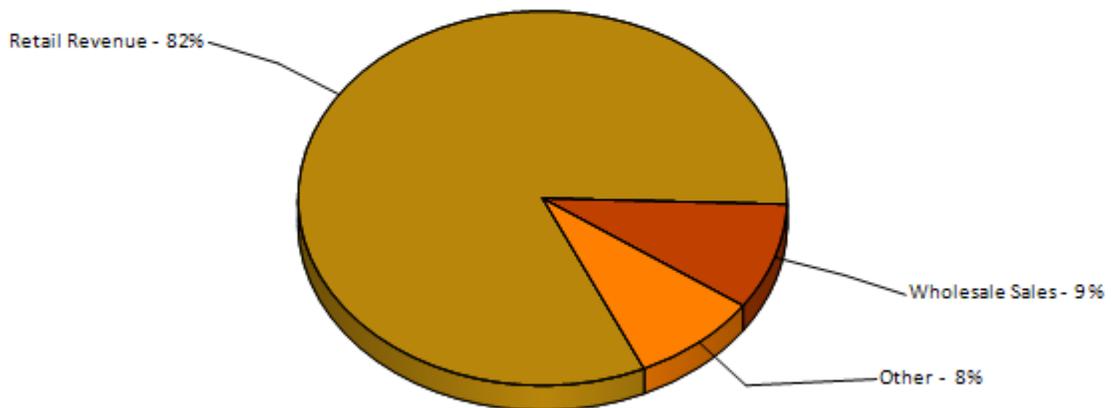
\* FTE totals are provided for information purposes only. Changes in FTEs resulting from City Council or Human Resources Director actions outside of the budget process may not be detailed here.

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## 2017 Adopted Budget - Expenditure by Category



## 2017 Adopted Budget - Revenue by Category



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## Budget Overview

The 2017 Adopted and 2018 Endorsed Budget reflects the priorities outlined in the department's 2017-2022 Strategic Plan, and it follows the plan's rate path which increases rates 5.6% in both 2017 and 2018. The adopted budget addresses developments in several areas of City Light operations including changes to regulatory requirements; developments in technology; long-term utility planning; aging infrastructure; and the electrification of transportation.

As part of the [Drive Clean Seattle Initiative](#), City Light will initiate two electric vehicle charging infrastructure pilot programs, at a cost of \$1.75 million in 2017. The first pilot project will install 20 public fast charging stations, tripling the number of stations in the city. These stations will allow electric vehicles to charge most of their battery pack in 20 to 30 minute sessions. The second program will facilitate the installation of approximately 200 Level II stations in customers' homes (both single-family and multifamily housing). The cost of these installations will be billed to customers over time thereby removing one of the up-front financial barriers to electric vehicle ownership.

The adopted budget also funds an expanded Utility Discount Program (UDP). In 2015, Mayor Murray announced a goal of doubling enrollment in the UDP - from 14,000 to 28,000 customers - by the end of 2018. The City worked with local, regional and national partners and on August 1, 2016, an auto-enrollment policy was implemented for eligible Seattle Housing Authority clients. This and other program improvements have catapulted enrollment to 28,100, reaching the Mayor's goal more than two years ahead of schedule.

The department also faces significant challenges in the coming years. In both 2015 and 2016, precipitation in the Northwest has been significantly below historic averages, and it is possible that this pattern may continue into 2017. City Light reduced its forecast for Net Wholesale Revenue (NWR) beginning with the 2015 budget, but even with this adjustment, NWR remains below forecast. The Rate Stabilization Account (RSA), a reserve established to help mitigate volatility in NWR, was at its upper limit of \$125 million at the beginning of 2015, however by the end of June 2016, the balance had dropped below \$90 million, triggering an automatic surcharge. The 1.5% surcharge will remain in place until the RSA balance returns to \$100 million (expected to occur sometime in 2018).

Retail revenue has suffered as well. Due to increased conservation, warmer winter weather, an increasing share of multi-family housing (lower per capita energy use), and deployment of more energy efficient infrastructure and equipment, retail power sales (by volume) have been lower than expected in recent years. In fact, total electricity use has actually declined for the past four years despite recent economic growth, and the utility sold 3% less retail power in 2015 than it did in 2011. City Light continues to monitor the load decline and is evaluating several ways to address it, including changes to forecasting and to their financial policies.

The department's capital program budget is approximately \$400 million in both 2017 and 2018 respectively, and work is underway on several large-scale projects. Below are updates and 2017 spending amounts on three noteworthy projects. For more detailed information on the capital program, please see the 2017-2022 Adopted Capital Improvement Program (CIP) Budget book.

- Denny Substation construction has begun and will be underway for the next several years.
- The deployment of new meters will be underway in 2017 as part of the Advanced Metering Infrastructure (AMI) project.
- City Light continues their work relocating utility infrastructure as part of the Alaska Way Viaduct and Seawall Replacement project.

To support the capital program and other eligible City Light costs, the 2017 Adopted and 2018 Endorsed Budget anticipates a 2017 bond issue of approximately \$275 million.

City Light welcomed a new General Manager in 2016. One of the first tasks undertaken was a review of the organizational structure that resulted in the realignment of department leadership and a restructuring of several

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operational units. Two new officer positions were created - an environmental leadership position and an engineering and utility innovation position - and customer care, regulatory affairs and communication were consolidated under one officer. The goal of the realignment was to heighten the focus on innovation, environmental leadership and responsibility, and to improve communication between management and operational units. No changes are made within the department's divisions, only to the groupings of those divisions, also called budget control levels. To reflect this reorganization, the adopted budget creates several new budget control levels, while others have no new appropriations as the spending is moved to the new operational unit.

## City Council Changes to the Proposed Budget

The Council made no changes to the 2017-2018 Proposed Budget.

## Incremental Budget Changes

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	2017		2018	
	Budget	FTE	Budget	FTE
<b>Total 2016 Adopted Budget</b>	<b>\$ 1,369,595,094</b>	<b>1,868.30</b>	<b>\$ 1,369,595,094</b>	<b>1,868.30</b>
<b>Baseline Changes</b>				
Adjustment for Information Technology Changes	-\$ 19,226,405	-103.50	-\$ 19,226,405	-103.50
Citywide Adjustments for Standard Cost Changes	\$ 17,163,611	0.00	\$ 18,488,402	0.00
Technical Adjustments	-\$ 15,934,617	0.00	-\$ 79,244,682	0.00
<b>Proposed Changes</b>				
Regulatory Requirements	\$ 8,899,512	4.00	\$ 11,627,915	10.00
Ongoing Support for Technology Projects	\$ 2,575,570	0.00	\$ 3,075,570	0.00
Technology Investments	\$ 2,140,000	3.00	\$ 5,994,000	3.00
Aging Infrastructure Replacement	\$ 6,400,000	0.00	\$ 6,060,000	0.00
Drive Clean Initiative	\$ 1,750,000	0.00	\$ 1,050,000	0.00
Wholesale Energy Market Changes	\$ 3,607,658	4.00	\$ 8,152,578	8.00
Utility Planning	\$ 475,810	3.00	\$ 481,983	3.00
One-Time Efficiencies	-\$ 12,794,383	0.00	-\$ 6,550,933	0.00
Technical Adjustments	\$ 24,001,534	0.00	\$ 62,782,330	0.00
Technical Adjustments - Staffing	\$ 0	1.00	\$ 0	6.00
Technical Adjustment - Annual CIP Spending Update	-\$ 21,783,358	0.00	\$ 17,508,794	0.00
<b>Total Incremental Changes</b>	<b>-\$ 2,725,068</b>	<b>-88.50</b>	<b>\$ 30,199,552</b>	<b>-73.50</b>
<b>2017 Adopted/2018 Endorsed Budget</b>	<b>\$ 1,366,870,026</b>	<b>1,779.80</b>	<b>\$ 1,399,794,646</b>	<b>1,794.80</b>

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## Descriptions of Incremental Budget Changes

### Baseline Changes

#### **Adjustment for Information Technology Changes - (\$19,226,405)/(103.50) FTE**

In 2016, the City consolidated information technology functions in a new central department, the Seattle Information Technology Department (Seattle IT). However, the budgets for information technology remained in the departments. The 2017 budget completes the consolidation by transferring budget authority from departments to Seattle IT. This adjustment reflects the net change from the transfer of labor and non-labor resources from the department to Seattle IT and the updated central rates for information technology costs charged by Seattle IT to the department. The transfer out of positions from the department to Seattle IT, authorized in legislation passed with the 2016 Adopted Budget, is also reflected in this adjustment.

#### **Citywide Adjustments for Standard Cost Changes - \$17,163,611**

Citywide technical adjustments made in the initial planning phase reflect changes in the internal services costs (excluding Seattle IT), health care, retirement contribution rate, and updates to unemployment and industrial insurance charges. These adjustments reflect initial assumptions about these costs and inflators early in the budget process. Additionally, this adjustment includes various wage adjustments for labor related costs, including the Annual Wage Increases (AWI) from 2015 through 2018 and a one-time 2015 3.5% Recruitment and Retention wage increase.

#### **Technical Adjustments - (\$15,934,617)**

This adjustment realigns the CIP budget with the 2016 Adopted budget and executes several net-zero adjustments between BCLs to align the budget with the central cost manual.

### Proposed Changes

#### **Regulatory Requirements - \$8,899,512/4.00 FTE**

City Light will make several budget adjustments in response to changes in regulatory requirements. The Federal Energy Regulatory Commission (FERC) expressed concerns around performance, reliability, accessibility, safety, and durability of all City Light dams after a two-inch-wide crack was discovered in 2014 at a non-City Light dam on the Columbia River (the Wanapum dam). This budget adds \$1 million to perform analysis, testing, licensing, and seismic improvements to City Light dams to demonstrate that the engineering systems are meeting standards.

In addition, the North American Electric Reliability Corporation (NERC) continues to update their Critical Infrastructure Program standards. This budget adds \$929,000 to bring substation assets into compliance with the latest version of security, safety and reliability standards.

The budget also provides funding for various CIP projects to reflect recent project updates. These include a \$2.5 million increase to address the revised scope for the Alaskan Way Viaduct project; a \$3.7 million increase to the Transportation Streetlights project to accommodate increased Seattle Department of Transportation activity due to the passage of the Move Seattle levy; a \$300,000 increase to the Waterfront Seattle project to replace lighting on the waterfront; and an add of 1.0 FTE to the Skagit Hydroelectric Relicensing project to begin the lengthy relicensing process.

A new Stormwater Compliance project is also added to the budget and funded at \$512,000. A citywide Department of Ecology audit found several areas where City Light facilities drained directly into Superfund sites,

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causing them to be out of compliance. City Light will address the compliance issues and improve drainage at the facilities. The project is expected to last for four years.

## **Ongoing Support for Technology Projects - \$2,575,570**

Both the New Customer Information System (NCIS) project and the Advanced Metering Infrastructure (AMI) project require ongoing support for the new technology put in place with these systems. City Light will split the cost for NCIS support 50/50 with Seattle Public Utilities. The City Light portion of the costs totals \$1.1 million which will fund contracted O&M support for the project, and 8.0 ongoing FTEs added to the Seattle Information Technology Department budget.

AMI funding totals \$1.5 million and supports a managed service contract for ongoing support and maintenance of the communications network and data services infrastructure. City Light analyzed recent industry deployments and best practices for this technology and determined that a managed services contract was the most efficient solution for supporting the technology.

## **Technology Investments - \$2,140,000/3.00 FTE**

This increase funds technology improvements in several areas. Due to the addition of more advanced software systems and applications as well as increasing NERC requirements, more staffing is needed on the Energy Management System team. To address this expanding, ongoing body of work, three temporary employees will be converted to full time. City Light will use existing budget to fund the new FTEs.

The department's Corporate Performance Business Intelligence team is expanding its performance reporting to allow for more robust analysis of department operations. Funding of \$500,000 will be used to purchase the software needed to develop the reports, and to hire consulting services to build them.

Funding of \$1.6 million is added to the capital budget to support and upgrade existing and planned enterprise software solutions. These systems include the Outage Management and Worker Asset Management systems, as well as the new billing, customer service, and meter data management systems. Historically, the budget has not been adequate to meet the required schedule for upgrades and maintenance and this has led to delays and inefficiencies. This adjustment fully funds the enterprise software solutions schedule.

In 2018, capital funding of \$400,000 is added to improve the distribution system by upgrading the network distribution switches. Funding provides for their installation and maintenance. The new switches are able to be operated remotely, thereby improving worker safety, and they will have their data available online which allows for immediate recognition and isolation of outages, thereby improving efficiency.

## **Aging Infrastructure Replacement - \$6,400,000**

The adopted budget restores full funding to the Underground Cable Replacement project. The budget was transferred from the project to provide funding for the Alaskan Way Viaduct and Denny Substation projects in prior budget cycles. City Light has more than 500 miles of underground cable, much of which is at the end of its useful life. By adding back \$5.2 million to the project, bringing the 2017 total to \$11.1 million, this adjustment will significantly improve the progress of replacement and repair on the aging underground cables.

The adopted budget also adds \$1.2 million to the Workplace and Process Improvement project to begin the process of reconfiguring workspaces and upgrading furniture for the ten floors that City Light occupies in the Seattle Municipal Tower. Current work stations are approximately 20 years old. The upgrade, which includes smaller work stations with furniture systems that can be easily adapted and reconfigured to accommodate multiple uses, is expected to improve employee office conditions by providing better ergonomics, more natural light, and more flexibility with the workspaces.

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## **Drive Clean Initiative - \$1,750,000**

As part of the [Drive Clean Seattle Initiative](#), City Light will initiate two electric vehicle charging infrastructure pilot programs, at a cost of \$1.75 million in 2017. The first pilot project will install 20 public fast charging stations, tripling the number of stations in the city. These stations will allow electric vehicles to charge most of their battery pack in 20 to 30 minute sessions. The second program will facilitate the installation of approximately 200 Level II stations in customers' homes (both single-family and multifamily housing). The cost of these installations will be billed to customers over time thereby removing one of the up-front financial barriers to electric vehicle ownership.

## **Wholesale Energy Market Changes - \$3,607,658/4.00 FTE**

The adopted budget adds \$3.6 million and four FTEs to develop software and procedures; purchase new software and applications; and pay annual system operator fees that will allow City Light to participate in the Western Energy Imbalance Market (EIM) run by the California Independent System Operator. Participation will allow City Light to more efficiently use generation and transmission assets; buy and sell energy in shorter term increments; and use pricing to match loads and resources across more buyers and sellers than existing markets currently permit. By doing this, City Light will more effectively integrate renewable energy across the West due to its flexible hydro capacity. City Light plans to begin participating in the market in the spring of 2019.

## **Utility Planning - \$475,810/3.00 FTE**

Two items in the adopted budget address planning needs on both the macro and micro levels. To address changes to the utility industry as a whole, the budget, in line with the updated 2017-2022 Strategic Plan, adds 1.0 FTE to focus on the future of the industry. Developments are occurring in numerous areas that will impact City Light including changes in historic load patterns, vehicle electrification, micro-grid technology, alternative energy sources, and energy storage. This position will help the department more effectively plan for the future and navigate change in this rapidly developing industry.

Operationally, planning capacity is needed at the Skagit and Boundary hydroelectric projects as increases in regulatory requirements and asset preservation activity require more attention than current staffing levels can provide. One position will be added at each facility. Examples of tasks that the positions will take on include managing the outage schedule, arranging site crews, tracking and coordinating on-site projects, and working on safety plans.

## **One-Time Efficiencies - (\$12,794,383)**

City Light has identified O&M budget reductions in 2017 and 2018 to reduce the rate impacts and offset the additional costs from the new initiatives included in the 2017-2022 Strategic Plan. The reductions, which will be restored to the budget in 2019, total approximately \$12.8 million in 2017 and \$6.5 million in 2018. These cuts will have minimal adverse effects on customers and on the delivery of City Light programs. Examples of areas targeted for temporary reductions include consulting services, fuel costs, overtime, temporary employee services, data processing services, and incentive awards.

## **Technical Adjustments - \$24,001,534**

Changes reflected in this category include adjustments within or between Budget Control Levels that align funding with spending requirements; corrections to baseline adjustments made during Executive phase; and other technical changes to staffing and program funding requirements. These changes are considered technical in nature because they do not significantly affect approved department service delivery or require new or additional policy decisions. Included in this adjustment are changes to debt service payments, taxes and purchased power, as well as the restoration of Seattle Information Technology Department (Seattle IT) costs, which were removed in the baseline process.

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## **Technical Adjustments - Staffing/1.00 FTE**

This adjustment captures changes in staffing related to the department's management reorganization, the Seattle IT consolidation, and the conversion of temporary employees to full time.

In February 2016, the new City Light GM reorganized the management structure, creating two new officer level positions - an environmental leadership position and an engineering and utility innovation position. In addition, customer care, regulatory affairs and communication were consolidated under one officer. The goal of the realignment is to heighten the focus on innovation and on environmental leadership, and to improve communication between management and operational units.

An adjustment was also made to shift 6.0 additional FTEs to Seattle IT's budget. It was determined, after the initial transfer of IT employees in the baseline phase of the budget, that these six positions also performed functions that are more aligned with information technology rather than operational technology, and that as such, they should reside in Seattle IT.

Lastly, City Light utilizes temporary labor to nimbly address fluctuations in workload. In cases where the workload or body of work has expanded and it is determined that a temporary position is needed on an ongoing basis, the position must be converted before reaching the three-year term limit. This budget adjustment converts seven temporary positions to full time in 2017 and five more in 2018. No funding is needed as the positions have been funded in prior budgets. All position additions are aligned with the goals and initiatives outlined in the strategic plan.

## **Technical Adjustment - Annual CIP Spending Update - (\$21,783,358)**

This adjustment reflects year-to-year changes in CIP spending for existing projects outlined in the Strategic Plan and the 2017-2022 Adopted CIP budget. For a summary of City Light's capital program and more detail on project-level changes, please see the 2017-2022 Adopted CIP budget.

## **City Council Provisos**

*There are no Council provisos.*

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## Expenditure Overview

<b>Appropriations</b>	<b>Summit Code</b>	<b>2015 Actual</b>	<b>2016 Adopted</b>	<b>2017 Adopted</b>	<b>2018 Endorsed</b>
Customer Service, Communications and Regulatory Affairs Budget Control Level	SCL110	0	0	43,565,482	45,448,991
Engineering and Technology Innovation O&M Budget Control Level	SCL910	0	0	23,434,009	24,454,084
Environmental Affairs O&M Budget Control Level	SCL230	0	0	14,900,786	15,095,298
Generation Operations and Engineering O&M Budget Control Level	SCL610	0	0	23,288,606	23,842,980
Power Management and Strategic Planning O&M Budget Control Level	SCL730	0	0	70,981,644	78,293,800
Transmission and Distribution O&M Budget Control Level	SCL330	0	0	60,446,782	64,420,747
<b>Capital</b>					
Customer Focused - CIP Budget Control Level	SCL370	89,964,114	73,129,129	93,426,947	98,438,816
Financial Services - CIP Budget Control Level	SCL550	23,196,158	20,302,210	8,633,328	6,204,070
Power Supply & Environmental Affairs - CIP Budget Control Level	SCL250	106,801,116	74,456,759	70,819,756	93,580,296
Transmission and Distribution - CIP Budget Control Level	SCL360	213,416,456	162,657,896	142,369,967	98,692,342
<b>General Expense</b>					
Debt Service Budget Control Level	SCL810	195,105,882	207,693,126	213,372,652	227,317,057
General Expenses Budget Control Level	SCL800	97,658,543	101,091,764	104,814,529	106,652,643
Taxes Budget Control Level	SCL820	81,120,747	93,459,200	94,370,522	98,774,281
<b>Operations and Maintenance</b>					
Administrative Services O&M Budget Control Level	SCL400	8,318,356	9,228,643	9,322,211	9,684,950
Compliance and Security Budget Control Level	SCL900	4,080,050	3,652,641	0	0
Conservation Resources and Environmental Affairs O&M Budget Control Level	SCL220	57,951,928	62,047,103	0	0

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Customer Services Budget Control Level	SCL320	30,726,375	31,726,510	0	0
Distribution Services Budget Control Level	SCL310	77,873,011	77,983,852	0	0
Financial Services - O&M Budget Control Level	SCL500	39,771,639	43,116,622	53,644,396	57,385,820
Office of Superintendent Budget Control Level	SCL100	3,256,258	3,534,612	0	0
Power Supply O&M Budget Control Level	SCL210	50,043,927	51,720,186	0	0
<b>Power Purchase</b>					
Long-Term Purchased Power Budget Control Level	SCL720	278,266,338	312,449,567	299,074,369	311,102,350
Short-Term Purchased Power Budget Control Level	SCL710	36,787,955	41,345,274	40,404,040	40,406,121
<b>Department Total</b>		<b>1,394,338,855</b>	<b>1,369,595,094</b>	<b>1,366,870,026</b>	<b>1,399,794,646</b>

<b>Department Full-time Equivalents Total*</b>	<b>1,861.30</b>	<b>1,868.30</b>	<b>1,779.80</b>	<b>1,794.80</b>
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\* FTE totals are provided for information purposes only. Changes in FTEs resulting from City Council or Human Resources Director actions outside of the budget process may not be detailed here.

## Revenue Overview

### 2017 Estimated Revenues

Summit Code	Source	2015 Actual	2016 Adopted	2017 Adopted	2018 Endorsed
431010	Operating Grants	4,594,504	700,000	0	0
431200	BPA Payments for Conservation Deferred	2,225,170	8,000,000	2,500,000	0
443250	Other O&M Revenue	8,346,435	7,748,284	7,825,767	7,904,025
443250	Revenue From Damage	2,439,139	1,659,851	1,676,449	1,693,214
443345	BPA Credit for South Fork Tolt	3,364,720	3,103,968	3,122,722	2,961,495
443380	Account Change Fees	2,032,541	1,553,100	1,568,631	1,584,317
443380	Construction & Miscellaneous Charges	163,577	193,998	195,938	197,897
443380	Late Payment Fees	3,501,541	3,848,167	3,886,649	3,925,515
443380	Pole Attachments	2,553,197	2,359,037	2,382,627	2,406,454
443380	Property Rentals	2,845,033	2,602,757	2,628,785	2,655,072
443380	Reconnect Charges	587,959	1,122,411	1,133,635	1,144,971
443380	Transmission Attach. & Cell Sites	1,562,993	1,453,034	1,467,564	1,482,240
443380	Water Heater & Miscellaneous Rentals	159,502	159,151	160,743	162,350
461100	Federal Subsidies of Interest Payments on Debt	5,049,119	5,045,838	5,970,262	5,970,262
461100	Interest Earnings	6,745,624	7,426,479	7,985,561	7,834,446

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461100	Sale of Property, Material & Equip.	1,040,658	1,048,511	0	0
462900	North Mountain Substation (Snohomish PUD)	246,846	411,441	415,980	420,145
462900	Transmission Sales	5,164,965	5,152,008	3,000,000	3,000,000
473010	Capital Fees and Grants	350,768	91,078	108,467	110,600
482000	Contributions in Aid of Construction	28,896,850	37,265,384	40,131,952	31,140,797
482000	Suburban Undergrounding	639,670	1,158,792	1,445,389	1,519,338
541830	Reimbursement for CCSS - O&M	0	552,430	0	0
541830	Reimbursement for CCSS and NCIS - CIP	0	11,560,697	0	0
	<b>Total Other</b>	<b>82,510,811</b>	<b>104,216,416</b>	<b>87,607,121</b>	<b>76,113,138</b>
443310	Energy Sales to Customers	729,324,824	810,741,087	848,930,382	898,866,356
443310	Seattle Green Power/GreenUp/Community Solar	1,351,430	627,473	1,534,974	1,571,420
	<b>Total Retail Revenue</b>	<b>730,676,254</b>	<b>811,368,560</b>	<b>850,465,356</b>	<b>900,437,776</b>
443310	Sales from Priest Rapids	3,858,697	3,954,552	2,326,968	2,190,140
443345	Article 49 Sale to Pend Oreille Country	2,146,374	2,012,688	2,061,552	2,110,411
443345	Basis Sales	531,307	3,200,004	999,996	1,000,000
443345	Other Power Related Services	6,988,885	7,178,690	5,378,966	4,608,994
443345	Surplus Energy Sales	76,818,975	83,202,783	84,456,686	84,456,686
	<b>Total Wholesale Sales</b>	<b>90,344,238</b>	<b>99,548,717</b>	<b>95,224,168</b>	<b>94,366,231</b>
	<b>Total Revenues</b>	<b>903,531,303</b>	<b>1,015,133,693</b>	<b>1,033,296,645</b>	<b>1,070,917,145</b>
379100	Use of (Contribution to) Fund Balance due to GSF St Lighting Payments	0	0	0	0
	<b>Total Other</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
379100	Use of (contribution to) Fund Balance	490,807,552	354,461,401	333,573,381	328,877,501
	<b>Total Transfers</b>	<b>490,807,552</b>	<b>354,461,401</b>	<b>333,573,381</b>	<b>328,877,501</b>
	<b>Total Resources</b>	<b>1,394,338,855</b>	<b>1,369,595,094</b>	<b>1,366,870,026</b>	<b>1,399,794,646</b>

## Appropriations By Budget Control Level (BCL) and Program

### **Customer Service, Communications and Regulatory Affairs Budget Control Level**

The purpose of the Customer Service, Communications and Regulatory Affairs Budget Control Level is to provide customer services and communications, and to monitor compliance with federal electric reliability standards and secure critical utility infrastructure. Customer services include metering, billing, account management, and support for customer information systems. The utility's General Manager and governmental affairs functions are also included in this Budget Control Level.

	2015	2016	2017	2018
<b>Program Expenditures</b>	<b>Actual</b>	<b>Adopted</b>	<b>Adopted</b>	<b>Endorsed</b>
Customer Service, Communications and Regulatory Affairs	0	0	43,565,482	45,448,991
<b>Total</b>	<b>0</b>	<b>0</b>	<b>43,565,482</b>	<b>45,448,991</b>
Full-time Equivalents Total*	0.00	0.00	264.89	264.89

\* FTE totals are provided for information purposes only. Changes in FTEs resulting from City Council or Human Resources Director actions outside of the budget process may not be detailed here.

### **Engineering and Technology Innovation O&M Budget Control Level**

The purpose of the Engineering and Technology Innovation Budget Control Level is to provide engineering and leadership on emerging utility technology, asset management, transportation electrification, solar, and other technologies. The energy delivery engineering and asset management functions are also included in this Budget Control Level.

	2015	2016	2017	2018
<b>Program Expenditures</b>	<b>Actual</b>	<b>Adopted</b>	<b>Adopted</b>	<b>Endorsed</b>
Engineering and Technology Innovation O&M	0	0	23,434,009	24,454,084
<b>Total</b>	<b>0</b>	<b>0</b>	<b>23,434,009</b>	<b>24,454,084</b>
Full-time Equivalents Total*	0.00	0.00	212.00	216.00

\* FTE totals are provided for information purposes only. Changes in FTEs resulting from City Council or Human Resources Director actions outside of the budget process may not be detailed here.

### **Environmental Affairs O&M Budget Control Level**

The purpose of the Environmental Affairs O&M Budget Control Level is to help the utility generate and deliver energy in an environmentally responsible manner. This Budget Control Level also supports the utility's renewable resource development programs, hydro relicensing, and real estate.

	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
<b>Program Expenditures</b>	<b>Actual</b>	<b>Adopted</b>	<b>Adopted</b>	<b>Endorsed</b>
Environmental Affairs O&M	0	0	14,900,786	15,095,298
<b>Total</b>	<b>0</b>	<b>0</b>	<b>14,900,786</b>	<b>15,095,298</b>
Full-time Equivalents Total*	0.00	0.00	48.00	49.00

*\* FTE totals are provided for information purposes only. Changes in FTEs resulting from City Council or Human Resources Director actions outside of the budget process may not be detailed here.*

### **Generation Operations and Engineering O&M Budget Control Level**

The purpose of the Generation Operations and Engineering Budget Control Level is to provide power to City Light customers by engineering and operating the power production facilities in a clean, safe, efficient, and reliable manner. The utility's power production engineering and generation operations are included in this Budget Control Level.

	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
<b>Program Expenditures</b>	<b>Actual</b>	<b>Adopted</b>	<b>Adopted</b>	<b>Endorsed</b>
Generation Operations and Engineering O&M	0	0	23,288,606	23,842,980
<b>Total</b>	<b>0</b>	<b>0</b>	<b>23,288,606</b>	<b>23,842,980</b>
Full-time Equivalents Total*	0.00	0.00	176.89	176.89

*\* FTE totals are provided for information purposes only. Changes in FTEs resulting from City Council or Human Resources Director actions outside of the budget process may not be detailed here.*

### **Power Management and Strategic Planning O&M Budget Control Level**

The purpose of the Power Management and Strategic Planning Budget Control Level is to provide electric power for City Light customers; to implement demand-side conservation measures that offset the need for additional generation resources; to support the power marketing operations of the utility; and to provide utility-wide support services such as shops, real estate, fleet, and facility management services.

	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
<b>Program Expenditures</b>	<b>Actual</b>	<b>Adopted</b>	<b>Adopted</b>	<b>Endorsed</b>
Power Management and Strategic Planning O&M	0	0	70,981,644	78,293,800
<b>Total</b>	<b>0</b>	<b>0</b>	<b>70,981,644</b>	<b>78,293,800</b>
Full-time Equivalents Total*	0.00	0.00	135.74	140.74

*\* FTE totals are provided for information purposes only. Changes in FTEs resulting from City Council or Human Resources Director actions outside of the budget process may not be detailed here.*

### **Transmission and Distribution O&M Budget Control Level**

The purpose of the Transmission and Distribution O&M Budget Control Level is to provide reliable electricity to customers through operation and maintenance of City Light's overhead and underground distribution systems, substations, and transmission systems.

	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
<b>Program Expenditures</b>	<b>Actual</b>	<b>Adopted</b>	<b>Adopted</b>	<b>Endorsed</b>
Transmission and Distribution O&M	0	0	60,446,782	64,420,747
<b>Total</b>	<b>0</b>	<b>0</b>	<b>60,446,782</b>	<b>64,420,747</b>
Full-time Equivalents Total*	0.00	0.00	433.84	436.84

*\* FTE totals are provided for information purposes only. Changes in FTEs resulting from City Council or Human Resources Director actions outside of the budget process may not be detailed here.*

### **Customer Focused - CIP Budget Control Level**

The purpose of the Customer Focused - CIP Budget Control Level is to provide for the capital costs of customer service connections, meters, and other customer-driven projects, including large inter-agency projects requiring utility services or relocations. This Budget Control Level supports capital projects identified in the department's Capital Improvement Plan.

	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
<b>Program Expenditures</b>	<b>Actual</b>	<b>Adopted</b>	<b>Adopted</b>	<b>Endorsed</b>
Customer Focused - CIP	89,964,114	73,129,129	93,426,947	98,438,816
<b>Total</b>	<b>89,964,114</b>	<b>73,129,129</b>	<b>93,426,947</b>	<b>98,438,816</b>
Full-time Equivalents Total*	132.32	132.32	132.32	132.32

*\* FTE totals are provided for information purposes only. Changes in FTEs resulting from City Council or Human Resources Director actions outside of the budget process may not be detailed here.*

### **Financial Services - CIP Budget Control Level**

The purpose of the Financial Services - CIP Budget Control Level is to provide for the capital costs of rehabilitation and replacement of the utility's financial systems and information technology infrastructure, and the development and implementation of large software applications. This Budget Control Level supports capital projects identified in the department's Capital Improvement Plan.

	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
<b>Program Expenditures</b>	<b>Actual</b>	<b>Adopted</b>	<b>Adopted</b>	<b>Endorsed</b>
Financial Services - CIP	23,196,158	20,302,210	8,633,328	6,204,070
<b>Total</b>	<b>23,196,158</b>	<b>20,302,210</b>	<b>8,633,328</b>	<b>6,204,070</b>
Full-time Equivalents Total*	10.71	10.71	10.71	10.71

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### **Power Supply & Environmental Affairs - CIP Budget Control Level**

The purpose of the Power Supply & Environmental Affairs - CIP Budget Control Level is to provide for the capital costs of maintaining the physical generating plant and associated power license and regulatory requirements. This Budget Control Level supports capital projects identified in the department's Capital Improvement Plan.

	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
<b>Program Expenditures</b>	<b>Actual</b>	<b>Adopted</b>	<b>Adopted</b>	<b>Endorsed</b>
Power Supply & Environmental Affairs - CIP	106,801,116	74,456,759	70,819,756	93,580,296
<b>Total</b>	<b>106,801,116</b>	<b>74,456,759</b>	<b>70,819,756</b>	<b>93,580,296</b>
Full-time Equivalents Total*	73.26	73.26	73.26	73.26

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### **Transmission and Distribution - CIP Budget Control Level**

The purpose of the Transmission and Distribution - CIP Budget Control Level is to provide for the capital costs of installation, major maintenance, rehabilitation, and replacement of transmission lines, substations, distribution feeders, transformers, and other elements of the utility's transmission and distribution systems. This Budget Control Level supports capital projects identified in the department's Capital Improvement Plan.

	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
<b>Program Expenditures</b>	<b>Actual</b>	<b>Adopted</b>	<b>Adopted</b>	<b>Endorsed</b>
Transmission and Distribution - CIP	213,416,456	162,657,896	142,369,967	98,692,342
<b>Total</b>	<b>213,416,456</b>	<b>162,657,896</b>	<b>142,369,967</b>	<b>98,692,342</b>
Full-time Equivalents Total*	156.06	158.06	158.06	158.06

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### **Debt Service Budget Control Level**

The purpose of the Debt Service Budget Control Level is to meet principal repayment and interest obligations on funds borrowed to meet City Light's capital expenditure requirements.

	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
<b>Program Expenditures</b>	<b>Actual</b>	<b>Adopted</b>	<b>Adopted</b>	<b>Endorsed</b>
Debt Service - BCL	195,105,882	207,693,126	213,372,652	227,317,057
<b>Total</b>	<b>195,105,882</b>	<b>207,693,126</b>	<b>213,372,652</b>	<b>227,317,057</b>

### **General Expenses Budget Control Level**

The purpose of the General Expenses Budget Control Level is to provide for the general expenses of the utility that, for the most part, are not directly attributable to a specific organizational unit. These expenditures include insurance, bond issue costs, bond maintenance fees, audit costs, Law Department legal fees, external legal fees, employee benefits (medical and retirement costs), industrial insurance costs, general claims costs, and services provided by the City's internal services departments through the central cost allocation mechanism.

	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
<b>Program Expenditures</b>	<b>Actual</b>	<b>Adopted</b>	<b>Adopted</b>	<b>Endorsed</b>
General Expenses	97,658,543	101,091,764	104,814,529	106,652,643
<b>Total</b>	<b>97,658,543</b>	<b>101,091,764</b>	<b>104,814,529</b>	<b>106,652,643</b>

### **Taxes Budget Control Level**

The purpose of the Taxes Budget Control Level is to pay City Light's legally required tax payments for state, city, and local jurisdictions. This Budget Control Level includes funding for franchise contract payments negotiated with local jurisdictions in City Light's service territory.

	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
<b>Program Expenditures</b>	<b>Actual</b>	<b>Adopted</b>	<b>Adopted</b>	<b>Endorsed</b>
Taxes	81,120,747	93,459,200	94,370,522	98,774,281
<b>Total</b>	<b>81,120,747</b>	<b>93,459,200</b>	<b>94,370,522</b>	<b>98,774,281</b>

### **Administrative Services O&M Budget Control Level**

The purpose of the Administrative Services Budget Control Level is to provide employee and management support services, including safety programs, organizational development, training, personnel, and labor relations.

	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
<b>Program Expenditures</b>	<b>Actual</b>	<b>Adopted</b>	<b>Adopted</b>	<b>Endorsed</b>
Administrative Services O&M	8,318,356	9,228,643	9,322,211	9,684,950
<b>Total</b>	<b>8,318,356</b>	<b>9,228,643</b>	<b>9,322,211</b>	<b>9,684,950</b>
Full-time Equivalents Total*	56.50	57.50	57.00	57.00

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### **Compliance and Security Budget Control Level**

The purpose of the Compliance and Security Budget Control Level is to monitor compliance with federal electric reliability standards and secure critical utility infrastructure.

	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
<b>Program Expenditures</b>	<b>Actual</b>	<b>Adopted</b>	<b>Adopted</b>	<b>Endorsed</b>
Compliance and Security	4,080,050	3,652,641	0	0
<b>Total</b>	<b>4,080,050</b>	<b>3,652,641</b>	<b>0</b>	<b>0</b>
Full-time Equivalents Total*	17.00	17.50	0.00	0.00

*\* FTE totals are provided for information purposes only. Changes in FTEs resulting from City Council or Human Resources Director actions outside of the budget process may not be detailed here.*

### **Conservation Resources and Environmental Affairs O&M Budget Control Level**

The purpose of the Conservation Resources and Environmental Affairs O&M Budget Control Level is to design and implement demand-side conservation measures that offset the need for additional generation resources, and to help the utility generate and deliver energy in an environmentally responsible manner. This Budget Control Level also supports the utility's renewable resource development programs.

	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
<b>Program Expenditures</b>	<b>Actual</b>	<b>Adopted</b>	<b>Adopted</b>	<b>Endorsed</b>
Conservation Resources and Environmental Affairs O&M	57,951,928	62,047,103	0	0
<b>Total</b>	<b>57,951,928</b>	<b>62,047,103</b>	<b>0</b>	<b>0</b>
Full-time Equivalents Total*	116.50	116.50	0.00	0.00

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### **Customer Services Budget Control Level**

The purpose of the Customer Services Budget Control Level is to provide customer services. These include metering, billing, account management, and support for customer information systems.

	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
<b>Program Expenditures</b>	<b>Actual</b>	<b>Adopted</b>	<b>Adopted</b>	<b>Endorsed</b>
Customer Services	30,726,375	31,726,510	0	0
<b>Total</b>	<b>30,726,375</b>	<b>31,726,510</b>	<b>0</b>	<b>0</b>
Full-time Equivalents Total*	210.75	210.75	0.00	0.00

*\* FTE totals are provided for information purposes only. Changes in FTEs resulting from City Council or Human Resources Director actions outside of the budget process may not be detailed here.*

### **Distribution Services Budget Control Level**

The purpose of the Distribution Services Budget Control Level is to provide reliable electricity to customers through operation and maintenance of City Light's overhead and underground distribution systems, substations, and transmission systems.

	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
<b>Program Expenditures</b>	<b>Actual</b>	<b>Adopted</b>	<b>Adopted</b>	<b>Endorsed</b>
Distribution Services	77,873,011	77,983,852	0	0
<b>Total</b>	<b>77,873,011</b>	<b>77,983,852</b>	<b>0</b>	<b>0</b>
Full-time Equivalents Total*	584.04	587.04	0.00	0.00

\* FTE totals are provided for information purposes only. Changes in FTEs resulting from City Council or Human Resources Director actions outside of the budget process may not be detailed here.

### **Financial Services - O&M Budget Control Level**

The purpose of the Financial Services - O&M Budget Control Level is to manage the utility's financial health through planning, risk mitigation, and provision of information to make financial decisions. Information technology services are also provided through this Budget Control Level to support systems and applications used throughout the utility.

	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
<b>Program Expenditures</b>	<b>Actual</b>	<b>Adopted</b>	<b>Adopted</b>	<b>Endorsed</b>
Financial Services - O&M	39,771,639	43,116,622	53,644,396	57,385,820
<b>Total</b>	<b>39,771,639</b>	<b>43,116,622</b>	<b>53,644,396</b>	<b>57,385,820</b>
Full-time Equivalents Total*	197.95	198.45	77.09	79.09

\* FTE totals are provided for information purposes only. Changes in FTEs resulting from City Council or Human Resources Director actions outside of the budget process may not be detailed here.

### **Office of Superintendent Budget Control Level**

The purpose of the Office of the Superintendent Budget Control Level is to provide leadership and broad departmental policy direction to deliver reliable electric power and maintain the financial health of the utility. The utility's communications and governmental affairs functions are included in this Budget Control Level.

	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
<b>Program Expenditures</b>	<b>Actual</b>	<b>Adopted</b>	<b>Adopted</b>	<b>Endorsed</b>
Office of Superintendent	3,256,258	3,534,612	0	0
<b>Total</b>	<b>3,256,258</b>	<b>3,534,612</b>	<b>0</b>	<b>0</b>
Full-time Equivalents Total*	21.75	21.75	0.00	0.00

\* FTE totals are provided for information purposes only. Changes in FTEs resulting from City Council or Human Resources Director actions outside of the budget process may not be detailed here.

### **Power Supply O&M Budget Control Level**

The purpose of the Power Supply O&M Budget Control Level is to provide clean, safe, economic, efficient, reliable sources of electric power for City Light customers. This Budget Control Level supports the power generation and power marketing operations of the utility. Utility-wide support services such as shops, real estate, fleet, and facility management services are also included in this Budget Control Level.

	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
<b>Program Expenditures</b>	<b>Actual</b>	<b>Adopted</b>	<b>Adopted</b>	<b>Endorsed</b>
Power Supply O&M	50,043,927	51,720,186	0	0
<b>Total</b>	<b>50,043,927</b>	<b>51,720,186</b>	<b>0</b>	<b>0</b>
Full-time Equivalents Total*	284.46	284.46	0.00	0.00

*\* FTE totals are provided for information purposes only. Changes in FTEs resulting from City Council or Human Resources Director actions outside of the budget process may not be detailed here.*

### **Long-Term Purchased Power Budget Control Level**

The purpose of the Long-Term Purchased Power Budget Control Level is to acquire wholesale power, transmission, and other related services (including renewable energy credits) to meet the utility's long-term demand for power. This Budget Control Level provides appropriations for planned transactions beyond 24 months in advance.

	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
<b>Program Expenditures</b>	<b>Actual</b>	<b>Adopted</b>	<b>Adopted</b>	<b>Endorsed</b>
Long-Term Purchased Power	278,266,338	312,449,567	299,074,369	311,102,350
<b>Total</b>	<b>278,266,338</b>	<b>312,449,567</b>	<b>299,074,369</b>	<b>311,102,350</b>

### **Short-Term Purchased Power Budget Control Level**

The purpose of the Short-Term Purchased Power Budget Control Level is to acquire wholesale power, transmission, and other related services (including renewable energy credits) to manage the utility's short-term demand given the variability of hydroelectric power. This Budget Control Level provides appropriations for planned transactions up to 24 months in advance.

	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
<b>Program Expenditures</b>	<b>Actual</b>	<b>Adopted</b>	<b>Adopted</b>	<b>Endorsed</b>
Short-Term Purchased Power	36,787,955	41,345,274	40,404,040	40,406,121
<b>Total</b>	<b>36,787,955</b>	<b>41,345,274</b>	<b>40,404,040</b>	<b>40,406,121</b>

# Seattle City Light

## City Light Fund Table

### City Light Fund

	2015 Actuals	2016 Adopted	2016 Revised	2017 Adopted	2018 Endorsed
<b>Beginning Cash Balance</b>	<b>426,732,431</b>	<b>386,637,057</b>	<b>417,617,968</b>	<b>386,558,971</b>	<b>365,124,342</b>
Accounting and Technical Adjustments	481,693,089	335,711,364	371,344,497	312,138,753	322,052,907
Plus: Actual and Estimated Revenues	903,531,303	1,015,133,692	967,191,600	1,033,296,644	1,070,917,144
Less: Actual and Budgeted Expenditures****	1,394,338,854	1,369,595,094	1,369,595,094	1,366,870,026	1,399,794,646
<b>Ending Cash Balance</b>	<b>417,617,968</b>	<b>367,887,019</b>	<b>386,558,971</b>	<b>365,124,342</b>	<b>358,299,747</b>
Less: Reserves Against Cash Balances					
Restricted Accounts*	85,465,792	115,866,882	108,886,705	127,187,496	148,287,614
Contingency Reserve / RSA**	90,992,709	95,276,178	84,181,543	93,763,850	95,180,909
Construction Account	88,671,908	70,069,004	74,094,750	99,092,511	85,471,930
<b>Total Reserves</b>	<b>265,130,409</b>	<b>281,212,064</b>	<b>267,162,998</b>	<b>320,043,857</b>	<b>328,940,453</b>
<b>Ending Unreserved Cash Balance***</b>	<b>152,487,559</b>	<b>86,674,956</b>	<b>119,395,973</b>	<b>45,080,486</b>	<b>29,359,294</b>

\*Includes Special Deposits, Debt Service Account, and Bond Reserves. Does not include the Construction Account.

\*\*The 2016 Adopted, 2017 Adopted and 2018 Endorsed Revenue Budgets assume that Net Wholesale Revenue will equal the RSA Baseline Amount. The Revised 2016 Revenue Budget projects that Net Wholesale Revenue will be lower than the RSA Baseline, therefore cash will be transferred from the RSA to Operating Cash, drawing down the balance of the RSA to a lower level than assumed in the Adopted 2016 Budget. The RSA Baseline amount of Net Wholesale Revenue is per the Strategic Plan.

\*\*\*Includes All City Light Cash other than Special Deposits, Debt Service Account, and Bond Reserve.

\*\*\*\*2017 and 2018 Expenditure Budget amounts are preliminary estimates